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C O N F I D E N T I A L SECTION 01 OF 02 KHARTOUM 001712

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BRUSSELS FOR FRAZER AND HUME, NSC FOR SHORTLEY

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TAGS: PGOV PREL SU

SUBJECT: SUDAN: KEY ISSUES FACING SALVA KIIR ON THE EVE OF HIS U.S. VISIT

Classified By: Charge Andrew Steinfeld, reason: Section 1.4 (b) and (d)

¶1. (C) The following summarizes some key issues currently facing Government of National Unity (GNU) First Vice President and Government of Southern Sudan (GoSS) President Salva Kiir on the eve of his Washington visit:

-- Comprehensive Peace Agreement (CPA) Implementation
-- Darfur Involvement/UN PKO Transition
-- Consolidating Political Power
-- Lord's Resistance Army (LRA) Negotiations
-- Development and Corruption

CPA Implementation

¶2. (C) The first year and a half of the CPA has shown some solid gains for the South: freedom of the press has taken hold; people are practicing their religions without harassment; the GoSS governs its region without interference; the northern and southern armies are beginning to cooperate and have formed joint integrated units; and the pull-out of northern troops from the south is ahead of schedule. However, problems with certain key issues -- notably the status of the oil-rich border area of Abyei, the demarcation of the north-south border, and oil management -- threaten the progress made in other areas. These are key issues on which we and other donors are focusing, *inter alia*, through the mechanism of the Assessment and Evaluation Commission.

Darfur Involvement/UN PKO Transition

¶3. (C) Kiir has responded to calls from the international community to become more involved in Darfur mainly by reaching out to SLM/Minni Minawi and attempting to bring Abdel Wahid Nur into the Darfur Peace Agreement. That said, his failed attempt several weeks back in Yei to reconcile the two factions of the SLM has no doubt diminished his interest in pursuing AW further. He has never shown significant energy on the Darfur front, largely, no doubt, because he is already stretched extremely thin in his dual-hatted roles. Notably, however, Kiir recently announced his support for UN peacekeeping operations in Darfur, boldly contradicting what GNU President Bashir sought to portray as united opposition on the part of the GNU. This was the first time Kiir strongly asserted his position as First Vice President on a national security issue. To date, it is not clear what eventual impact his view on UN transition may have on moving

Bashir, but his visit to Washington does provide him the bullhorn to make his differences with Bashir loud and clear on this point -- should he choose to do so.

Consolidating Political Power

¶4. (C) Salva Kiir took power in August 2005 with a weak mandate, divisions within the SPLM, and significant southern political and military power outside his party. Through careful consensus building and a flexible, non-confrontational approach to leadership, Kiir has unified the SPLM and other political groups behind his leadership. The main rival faction, the inner circle of the late John Garang, now stands behind Kiir after a series of closed-door deals that included elevating Garangist leader Pagan Amum to the number two position in the SPLM, and Rebecca Garang assuming a less active political role. Kiir has also brought the majority of the South Sudan Defense Force (SDDF), a potentially dangerous militia coalition, into the SPLM. All of his maneuvers are incremental, and his resistance to dramatic action has prevented him from dealing with some serious issues in his party, including the tenure and performance of Foreign Minister Lam Akol, who frequently goes against SPLM positions.

Lord's Resistance Army (LRA) Negotiations

¶5. (C) Raids from the LRA have been a significant threat to peace in Southern Sudan. Initially, GoSS Vice President Riek Machar opened contacts with the LRA without Kiir's knowledge. Many in the south, including Kiir, doubted the sincerity of

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the LRA and suspected it was only buying time to regroup and reorganize after an end of the significant support once received from its chief benefactor, the Khartoum government. Now that the talks are underway, Kiir is willing to give the LRA a chance and appears to be involved more directly, with Machar continuing to take the lead.

Development and Corruption

¶6. (C) Through a largely U.S.-funded World Food Program roads project, trade routes have opened with Uganda and Kenya, greatly increasing the availability and reducing the price of goods throughout Southern Sudan. Markets have sprung up, the construction industry is booming, and refugees and IDPs are eager to return home. However, there is no reliable electricity, even in the capital of Juba. There is little availability of potable water; access to health care and education, while growing, is still among the lowest in the world.

¶7. (C) As the population puts more pressure on the government, Kiir has started to shift blame toward the international community, which seriously underestimated the difficulties of working in Southern Sudan, for over-promising and under-delivering. This was highlighted by a recent dispute with the World Bank-managed Multi-Donor Trust Fund (MDTF), which cancelled a roads contract because the tender lacked transparency and accountability. The GoSS accused the World Bank of being overly bureaucratic, and said it did not understand the Bank's complicated regulations, but MDTF officials privately worried that the problem was rooted in corruption. Although Kiir appears to understand the huge problems corruption can cause, he faces increasing charges of wrongdoing within his administration. Kiir has preferred to deal with corruption charges internally, fearing the embarrassment of public hearings for his young government.

STEINFELD